



Office of Health Policy and Program Support
P.O. Box 720724
Sacramento, CA 94229-0724
Telecommunications Device for the Deaf - (916) 795-3240
Toll Free: (888) CalPERS (225-7377)
FAX 916) 795-4105

February 15, 2006

AGENDA ITEM 5

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

I. SUBJECT: 2005 Open Enrollment Statistics

II. PROGRAM: Health Benefits

III. RECOMMENDATION: Information

IV. BACKGROUND:

Every year CalPERS holds an open enrollment period. During this time, CalPERS allows its members to transfer health plans. This agenda item is an analysis of our members' transfer choices during the 2005 Open Enrollment.

V. Discussion:

During 2005 Open Enrollment, 11,781 subscribers or 2.1 percent transferred plans. Staff used subscriber transfer data to provide:

- An overview of plan transfer historical trends to provide some context for this year's movement,
- An impact analysis of our subscribers' transfer choices on our health plans, and
- An analysis of how premium price impacts our subscribers' transfer choices.

Transfer Trend History

Over the past six years, plan transfers averaged 9.5 percent of subscribers, spiking in years when CalPERS changed health plan benefit design or plan offerings. Last year, 3.7 percent of CalPERS subscribers changed plans. This year's 11,781 transferring subscribers represent 2.1 percent of our total subscriber population:

- 990 were Medicare subscribers or less than 1 percent of all Medicare subscribers
- 10,791 were Basic plan subscribers or less than 3 percent of all Basic plan subscribers.

Impact on Plans

Of all our health plans, Blue Shield experienced the largest number of subscribers transferring to other plans (5,516). Of the subscribers transferring out of Blue Shield, Kaiser realized the single largest net gain (1,639).

Blue Shield also experienced the largest number of subscribers transferring from other plans (2,664), with over half of the subscribers coming from PERS Choice. Of those subscribers transferring from PERS Choice to Blue Shield during 2005 Open Enrollment, 30 percent or 429 had transferred from Blue Shield to PERS Choice during 2004 Open Enrollment, the year the Board approved the new Blue Shield CalPERS provider network.

As we analyze each plan's net change during open enrollment, we must keep in mind that the California Correctional Peace Officers' Association (CCPOA) is now offering a Blue Shield product to its members. Following is the overall effect of our plan-to-plan transfers on each plan's total number of subscribers:

- CalPERS Blue Shield decreased its CalPERS subscriber base by 1.7 percent, while CCPOA Blue Shield increased its CalPERS subscriber base by 20.5 percent. The net result is a decrease of less than 1 percent in Blue Shield's CalPERS total subscriber base.
- The Peace Officers Research Association of California (PORAC) increased its CalPERS subscriber base by 7.8 percent.
- Western Health Advantage (WHA) increased its CalPERS subscriber base by 9.6 percent, the largest percent increase for CalPERS plans.
- Each of the remaining plans incurred net changes of less than 1 percent in their CalPERS subscriber base.

Premium Price Impact

We have three distinct enrollee groups that experience varying premiums:

- Medicare enrollees
- State Basic plan enrollees
- Contracting agency Basic plan enrollees for five regions (Sacramento/Bay Area, Los Angeles, Other Southern California, Other Northern California, and Out-of-State)

To assess whether premium price had any impact on subscriber choice, we examined transfers to plans with lower and higher priced premiums for each of the enrollee groups.

- A very small percent of our Medicare subscribers changed plans (less than 1 percent); those that did transfer chose higher cost plans (75 percent).
- Only a small percent of our Basic subscribers changed plans (less than 3 percent). State members chose lower cost plans 69 percent of the time.
- Less than 2 percent of our contracting agency Basic subscribers changed plans; those transferring chose lower cost plans (59 percent).

In summary, a small percentage of our subscribers transferred plans during 2005 Open Enrollment. Proportionately, far fewer Medicare subscribers transferred plans in comparison to Basic plan subscribers. While our transferring Medicare subscribers chose higher cost plans a majority of the time, our Basic subscribers are price sensitive, transferring to lower priced plans in most cases. Most of our plans did not see large shifts in subscriber base.

VI. STRATEGIC PLAN:

This is an information item summarizing the impact of the Board's strategic decisions on subscriber plan choices during 2005 Open Enrollment.

VII. RESULTS/COSTS:

This is an information item only.

Sandra Felderstein, Chief
Office of Health Policy and Program Support

Terri Westbrook
Assistant Executive Officer
Health Benefits Branch

Attachment